WE OPEN THE WAY
CONTENTS

1. THE YEAR 2018

2. ACTIVITY BY BUSINESS SEGMENT

3. FINANCIAL STATEMENTS

4. STRATEGY & OUTLOOK 2019
CONSOLIDATED REVENUE

Business boosted by the acquisition of Miller McAsphalt in Canada and good headway in the Road segment in Mainland France and in Europe

In billions of €

2014: 12.4
2015: 12.0
2016: 11.0
2017: 11.7
2018: 13.2

+13%
More than 50% of business is now performed outside of France
Current operating income remained roughly unchanged from 2017.

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income (in millions of €)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>332</td>
<td>2.7%</td>
</tr>
<tr>
<td>2015</td>
<td>344</td>
<td>2.9%</td>
</tr>
<tr>
<td>2016</td>
<td>386</td>
<td>3.5%</td>
</tr>
<tr>
<td>2017</td>
<td>362</td>
<td>3.1%</td>
</tr>
<tr>
<td>2018</td>
<td>359</td>
<td>2.7%</td>
</tr>
</tbody>
</table>
## Current Operating Income (2/2)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2017</th>
<th>2018</th>
<th>Change 2018/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>341</td>
<td>387</td>
<td>+46</td>
</tr>
<tr>
<td>Railways and other Specialized Activities</td>
<td>12</td>
<td>(37)</td>
<td>-49</td>
</tr>
<tr>
<td>Parent company</td>
<td>9</td>
<td>9</td>
<td>=</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>362</td>
<td>359</td>
<td>-3</td>
</tr>
</tbody>
</table>

An increase in current operating income for the Road segment was erased by difficulties at Colas Rail and Smac.
MAJOR CONTRACTS SIGNED IN 2018

UNITED STATES
- Repaving sections on Glenn Highway, Parks Highway and Haines Highway in Alaska (€71 M)
- Water treatment plant in Westminster, Maryland (€52 M)
- Upgrading runways at Anchorage Airport in Alaska (€43 M)
- Installing a drinking water network near Fairbanks in Alaska (€42 M)

UNITED KINGDOM
- Tramway in Birmingham (€60 M)
- Track work (€48 M)

BELGIUM
- P3 Tramway in Liège (€266 M) (closing in January 2019)

FRANCE
- Railway and catenary on line 15 South - East sector of Greater Paris metro (€108 M)
- Construction of line B for the Angers tramway (€63 M)
- Runway 3 at Paris-Orly Airport (€52 M)
- Track and surfacing on the T9 Paris - Orly-ville Tramway (€38 M)

CÔTE D’IVOIRE
- Replacing pavement on the North Route between Bouaké and Ferkessédougou (€65 M)

CHILE
- 20-year maintenance contract for lines 3 & 6 of the Santiago Metro (€32 M)
EXTERNAL GROWTH

- Gross investment: €808 M against €159 M in 2017

- Two major acquisitions:
  - February: Miller McAsphalt in Canada (road works and bitumen distribution)
  - July: Alpiq Engineering Services’ railway activity in Switzerland, Italy, the Czech Republic and the United Kingdom (catenary systems)

- Other acquisitions
  - February: Topcoat in Australia (bituminous products and road works)
  - March: SERB in Alaska and ASA in Missouri, USA (road works and materials)
  - July: Granulats Ouest Quarries in France (Materials)
  - December: signature of acquisition agreement for Conalvias in Peru (road works and mining infrastructures)

Record year for acquisitions, mainly outside of France, and in the Group’s three core businesses (road works, materials, railways)
ACQUISITION OF MILLER McASPHALT

- Miller: a major player in road works in Ontario
- McAsphalt: leading bitumen distributor across Canada (21 storage terminals)
- Consolidation from March 1, 2018
- Merger of Colasphalt and McAsphalt bitumen businesses as of May 2018
- Successful integration: team synergy and shared management

With Miller McAsphalt, Colas Canada has doubled in size and has strengthened its leadership position across the country
ACQUISITION OF ALPIQ’S RAILWAY ACTIVITIES

▪ Railway specialist, with strong expertise in catenary

▪ 4 new subsidiaries for Colas Rail
  - 3 new countries: Switzerland, Italy, Czech Republic
  - reinforcement in the United Kingdom

▪ Consolidation as of August 1, 2018

▪ Integration process completed in the United Kingdom and Continental Europe

High added value business development for Colas Rail
DIVESTITURE OF LARGE ASSETS

- Signature on February 14, 2019 of an agreement for the sale of Smac to the OpenGate Capital investment fund

- December 21, 2018: partial divestiture of Colas Rail's freight business in France

- December 12, 2018: sale and leaseback of 67 locomotives from Colas Rail in France and the United Kingdom

Colas is focusing back on its core business and gaining agility
CONTINUED FOCUS ON INNOVATION

- **Innovations**
  - Moov’Hub mobility solution (intelligent, shared parking) chosen by EPA Paris-Saclay for its urban campus
  - creation of a virtual reality safety training module, co-developed with the start-up Immersive Factory
  - launch of ExoPush exoskeleton deployment on construction sites

- **Awards**
  - BIM d’Or 2018 for the deconstruction and pollution remediation project at the Dunkirk refinery
  - Smart City Award at the CES Las Vegas for the Wattway solution
FILM — QUARRIES IN THE COLAS GROUP
2 Activity by Business Segment
ROADS IN MAINLAND FRANCE  REVENUE €4.7 B  +10%

- Road market enjoying growth:
  - new projects in the 2nd half of the electoral cycle (tramways in Angers, Saint-Etienne, Sophia-Antipolis, and BRT in Cannes, Saint-Brieuc)
  - highway recovery plan and Greater Paris projects
  - slight recovery in private investment

- Good progress of business despite a number of issues:
  - inclement weather, rising bitumen prices, supply difficulties, strikes and social unrest

- Continued growth of related activities:
  - works for private individuals, deconstruction (under the Premys brand), depollution, trading of materials, recycling construction waste

- Additional improvement in operational performance

- Acquisition of Granulats Ouest Quarries

Satisfactory year for business activity and performance in all six regional subsidiaries
ROADS EUROPE  REVENUE €1.8 B  +15%  
(+14% at constant scope and exchange rates)

- **British Isles**: business is up 16% (+17% at constant scope and exchange rates)
  - the United Kingdom: numerous investment plans launched by British government
  - Ireland: favorable economic environment and M7 Motorway

- **Continental Europe**: business is up 14% (+13% at constant scope and exchange rates)
  - major road and motorway projects financed by European funds in Central Europe (M25, M30, M70 projects in Hungary, D1 and D48 in the Czech Republic) and sustained activity in Poland
  - high level of business in Iceland, up in Belgium, stable in Switzerland, down in Denmark

**Strong increase in business activity, especially in Central Europe**
ROADS NORTH AMERICA  REVENUE €3.3 B  +32%
(-1% at constant scope and exchange rates)

- **United States**: revenue is stable
  - road market supported by state initiatives in addition to Federal Investment Plans
  - inclement weather, especially on the East Coast
  - current profitability impacted by difficulties in two markets
  - acquisitions of SERB in Alaska and ASA in Missouri (road works and materials)

- **Canada**: revenue almost doubled following the acquisition of Miller McAsphalt
  - road market roughly stable in a slight economic slowdown
  - inclement weather
  - level of business activity varied across the provinces
  - good bitumen trading activity at McAsphalt

Activity up sharply and contribution of Miller McAsphalt in line with forecasts
ROADS REST OF THE WORLD  REVENUE €1.3 B +4%
(+8% at constant scope and exchange rates)

- French Overseas Departments and Indian Ocean: revenue is up 12% (+14% at constant scope and exchange rates)
  - market still low in the Caribbean-French Guiana zone, especially in Martinique
  - stable activity for traditional business in tense market and continuation of dike construction work on the New Coastal Road in Reunion Island
  - sharp increase in business in Madagascar (Antananarivo airport) and growth in Mauritius

- Africa and Middle East: revenue decreased 15% (-13% at constant scope and exchange rates)
  - market share maintained in Morocco
  - constrained country business activity in West and Central Africa
  - difficult political and economic context in southern Africa and the Middle East (equity-accounted subsidiaries)

- Asia, Australia, New Caledonia: revenue is up 14% (+20% at constant scope and exchange rates)
  - Tipco Asphalt penalized by lower activity at the Kemaman refinery
  - strong business in Australia (materials and road works)
  - business stable in New Caledonia

Business is up on the whole, with contrasts
RAILWAYS  

REVENUE € 911 M  -3%  

(-9% at constant scope and exchange rates)

- France:
  - major impact of strikes at SNCF on railway works and freight
  - several metro and tramway projects under way (Paris region, Bordeaux, Rennes, etc.)
  - operating income down sharply: recovery plan in progress

- United Kingdom:
  - high level of activity
  - integration of Lundy Projects (Alpiq)

- Continental Europe: integration of three other companies acquired from Alpiq

- Rest of the World: business is down in MEA and South America, up in Asia (Hanoï and Jakarta light rail projects)

Improved profitability expected in 2019
OTHER SPECIALIZED ACTIVITIES

- Waterproofing: revenue €561 M
  - transfer agreement signed on February 14, 2019
  - expected closing of the operation within 60 to 90 days

- Road Safety, Signaling: revenue €318 M
  - market is stabilized
  - operational link to Colas Ile-de-France Normandie
  - innovation in products and mobility solutions

- Networks: revenue €199 M
  - decline in the level of business after the completion of two major natural gas pipeline projects in France
  - completion of the RGM natural gas pipeline project (Gascogne-Midi reinforcement) within the expected deadline
3 FINANCIAL STATEMENTS
## Key Figures

### in millions of €

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change 2018/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (in billions of €)</strong></td>
<td>11.7</td>
<td>13.2</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>Current operating income</strong></td>
<td>362</td>
<td>359</td>
<td>€-3 M</td>
</tr>
<tr>
<td><strong>Current operating margin</strong></td>
<td>3.1%</td>
<td>2.7%</td>
<td>-0.4 pt</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>357(1)</td>
<td>328 (2)</td>
<td>-29</td>
</tr>
<tr>
<td><strong>Net profit attributable to the Group</strong></td>
<td>328</td>
<td>226</td>
<td>-102</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>320</td>
<td>377</td>
<td>+57</td>
</tr>
<tr>
<td><strong>Net Financial Surplus / (Debt)</strong></td>
<td>433</td>
<td>(517)</td>
<td>-950</td>
</tr>
</tbody>
</table>

### in €

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change 2018/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dividend per share</strong></td>
<td>8.20</td>
<td>5.55 (3)</td>
<td></td>
</tr>
</tbody>
</table>

(1) Of which non-current expenses: €5 M in 2017 related to the works prior to the dismantling of the Dunkirk site (SRD)
(2) Of which non-current expenses: €31 M in 2018 mainly related to the dismantling of the Dunkirk site and the exceptional purchasing power bonus in France
(3) Proposed to the General Shareholders’ Meeting on April 17, 2019
## INCOME STATEMENT

### in millions of €

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change 2018/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>11,705</td>
<td>13,190</td>
<td>1,485</td>
</tr>
<tr>
<td><strong>Current operating income</strong></td>
<td>362</td>
<td>359</td>
<td>-3</td>
</tr>
<tr>
<td><strong>Other non-current income and expenses</strong></td>
<td>(5) (1)</td>
<td>(31) (2)</td>
<td>-26</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>357</td>
<td>328</td>
<td>-29</td>
</tr>
<tr>
<td>Cost of net debt</td>
<td>(14)</td>
<td>(31)</td>
<td>-17</td>
</tr>
<tr>
<td>Other financial income and expenses</td>
<td>1</td>
<td>(2)</td>
<td>-3</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(75)</td>
<td>(96)</td>
<td>-21</td>
</tr>
<tr>
<td>Share in income from associates and joint ventures</td>
<td>61</td>
<td>28</td>
<td>-33</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>330</td>
<td>227</td>
<td>-103</td>
</tr>
<tr>
<td>Net profit attributable to minority interests</td>
<td>2</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>Net profit attributable to the Group</td>
<td>328</td>
<td>226</td>
<td>-102</td>
</tr>
</tbody>
</table>

(1) Of which non-current expenses: €5 M in 2017 related to the works prior to the dismantling of the Dunkirk site (SRD)
(2) Of which non-current expenses: €31 M in 2018 mainly related to the dismantling of the Dunkirk site and the exceptional purchasing power bonus in France
FREE CASH FLOW

Net cash flow | Free cash flow (1) | Net capital expenditure
---|---|---
2017: 675 | 320 | 355
2018: 665 | 377 | 288

+18%

(1) Free cash flow: cash flow (determine after cost of net debt and net income tax expense, but before changes in working capital requirements) minus net capital expenditure for the period.
# CASH SURPLUS FROM OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Net cash flow</th>
<th>Income tax expense</th>
<th>Change in working capital requirements</th>
<th>Net capital expenditure (1)</th>
<th>Cash surplus from operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/2017</td>
<td>+ 792</td>
<td>- 132</td>
<td>- 295</td>
<td>- 300</td>
<td>+ 65</td>
</tr>
<tr>
<td></td>
<td>+ 764</td>
<td>- 86</td>
<td>- 205</td>
<td>- 343</td>
<td>+ 130</td>
</tr>
</tbody>
</table>

(1) Including change in net debt on operating assets
### Net Cash Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash at December 31, 2017</td>
<td>+433</td>
</tr>
<tr>
<td>Changes in cash surplus from operations</td>
<td>+65</td>
</tr>
<tr>
<td>Net capital expenditure (1)</td>
<td>-720</td>
</tr>
<tr>
<td>Dividends paid out</td>
<td>-270</td>
</tr>
<tr>
<td>Changes in scope, exchange rates, other</td>
<td>-26</td>
</tr>
<tr>
<td>Net financial debt on December 31, 2018</td>
<td>-517</td>
</tr>
</tbody>
</table>

**Note:**

- **12/2017**
  - Net cash at December 31, 2017: +517
  - Changes in cash surplus from operations: +130
  - Net capital expenditure (1): -79
  - Dividends paid out: -91
  - Changes in scope, exchange rates, other: -44
  - Net financial debt on December 31, 2018: +433

(1) Including change in net debt in financial assets
# Condensed Financial Structure

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 (1)</th>
<th>2018</th>
<th>Change 2018/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>3,750</td>
<td>4,224</td>
<td>+474</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>2,797</td>
<td>2,790</td>
<td>-7</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,070</td>
<td>1,448</td>
<td>+378</td>
</tr>
<tr>
<td>Ratio of shareholders’ equity + non-current liabilities/non-current assets</td>
<td>103%</td>
<td>100%</td>
<td>-3pts</td>
</tr>
<tr>
<td>Net financial surplus / (debt)</td>
<td>433</td>
<td>(517)</td>
<td>-950</td>
</tr>
</tbody>
</table>

(1) The figures on December 31, 2017 have been restated to reflect IFRS 9 & 15.
ORDINARY DIVIDEND AT €5.55 PER SHARE

<table>
<thead>
<tr>
<th>Dividend per share</th>
<th>€7.26</th>
<th>€15.40</th>
<th>5.45€</th>
<th>€8.20</th>
<th>8.20€</th>
<th>5.55 (1) €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield (2)</td>
<td>5.9%</td>
<td>11.6%</td>
<td>3.9%</td>
<td>5.8%</td>
<td>4.5%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividend in millions of €</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>237</td>
<td>372</td>
<td>178</td>
<td>268</td>
<td>268</td>
<td>181 (1)(3)</td>
</tr>
</tbody>
</table>

(1) Dividend proposed to the General Shareholders’ Meeting on April 17, 2019
(2) Based on the share price at December 31
(3) Based on the number of shares at December 31, 2018
FILM – CIRCULAR ECONOMY

TOUS CES DÉCHETS SONT RECYCLÉS PAR COLAS
COLAS DNA

- **World leader** in the construction and maintenance of transport infrastructure
- **Mission:** promoting infrastructure solutions for sustainable mobility
- **Vision:** global expertise united by a strong brand
- **Core businesses:**

**ROADS**

**MATERIALS**

**RAILWAYS**

Organization comprised of more than 800 local business units coordinated in regional networks. The majority of these units are vertically integrated.
COLAS OPERATES IN LONG-TERM GROWTH MARKETS

- Growing needs for construction and maintenance of transport infrastructure

- Favorable megatrends
  - Growing populations and urbanization
  - Upgrading programs for infrastructure in developed countries
  - Emerging countries need to catch up in infrastructure
  - Growing environmental constraints
  - Shift to service economy
  - Digital transformation
MAIN STRATEGIC PATHS

1. Valuing industrial activities

2. Enriching the range of offers:
   • major projects
   • solutions of mobility

3. Continuing international development

4. Accelerating the digital transformation
CONTINUED FOCUS ON INNOVATIONS IN MOBILITY SOLUTIONS

From infrastructure to mobility, with a “4S” road: safe, sustainable, smart and shared

- **Smart Roads**: creating new functions for infrastructure - Wattway - Flowell
- **Roads as a service**: anticipating maintenance needs - Anaïs (Acquiring, Digitalizing, Analyzing, Informing, Securing)
- **Smart Mobility**: developing a customer-centric approach with services to the user: Moov’Hub (Paris-Saclay)

SHORT- AND MEDIUM-TERM BENEFITS

1 to 2 years: Reinforcing brand image
2 to 5 years: Positioning along the value chain
5 to 10 years: Developing new businesses
OUTLOOK 2019: CONTINUED EXPANSION IN GROWTH MARKETS (1/2)

- The public works in **Mainland France** should continue to expand, but at a slower pace than in 2018
  - recovery and investment plans for transport (continuation of the highway recovery plan, Grand Paris, LOM), favorable context in pre-election period
  - uncertainties, however, as to changes in local taxation

- In **Europe**, Road and Railways will continue to benefit from European infrastructure plans
  - growth still strong in Central Europe (signature of European agreement expected in 2019 for 2021-2027)
  - major infrastructure projects in the United Kingdom (Motorways England, High Speed 2, CP6) in the context of Brexit
  - big projects in Belgium and Switzerland
OUTLOOK 2019: CONTINUED EXPANSION IN GROWTH MARKETS (2/2)

- The situation is contrasted in North America
  - in the United States, despite the favorable economic environment and the sheer magnitude of needs, uncertainties remain about initiatives to compensate the lack of funding from the federal government at a local level
  - in Canada, the situation varies across the provinces: lower oil prices in Alberta, major investments in Quebec and Ontario

- In the Rest of the World, there are a number of opportunities for Colas
  - new territories that are growing strongly (e.g., Australia) or developing (e.g., Peru, Chile)
  - numerous urban rail projects in fast-growing megacities (Cairo, Jakarta, etc.)
### Outlook 2019: Noticeable Increase in Work on Hand

#### Work on hand for Roads is up +4% at constant exchange rates excluding Miller McAsphalt
- Work on hand is up in North America and Mainland France, offsetting a drop in Europe (high work on hand in Central Europe in 2017)

#### Work on hand for Colas Rail is up 13%
- 23% increase in work on hand for Mainland France (including line 15 South, East Sector of the Greater Paris Metro and T9 Paris-Orly and Angers tramways)
- Integration of Alpiq Catenaries work on hand for about €250 M
CONCLUSION

❖ With major acquisitions in 2018 and the divestiture of Smac in 2019, Colas is accelerating its development in its core businesses: roads, materials, railways

❖ Current operating income should improve in 2019 due to:
  o growth-oriented markets
  o recovered profitability at Colas Rail

❖ The Group is still transforming, especially through digital technologies, innovating to assert its leadership in sustainable mobility